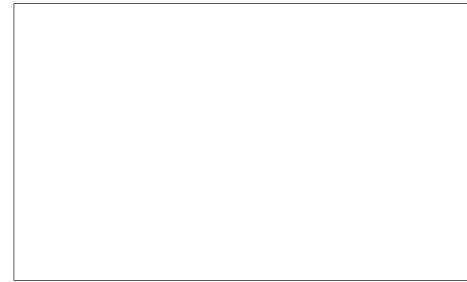




**Director of  
Central  
Intelligence**

**Top Secret**



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# **National Intelligence Daily**

***Wednesday  
2 January 1980***

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The Overnight Reports, printed on yellow paper as the final section, will often contain materials that update other articles in the *Daily*.

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SITUATION REPORTS

USSR-AFGHANISTAN

*We estimate that as many as 40,000 Soviet troops were in Afghanistan as of yesterday.*

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Foreign Commentary

The new Afghan Government, evidently sensitive to the impact of the Soviet presence on the Afghan military and populace, has been trying to justify the Soviet intervention by echoing Moscow's charges of US interference in Afghan internal affairs.

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Moscow, for its part, has been saying that US offers of military assistance to Pakistan demonstrate Washington's intention to continue supporting Afghan insurgents, but it has issued no additional authoritative statements. [REDACTED]

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The ruling Iranian Revolutionary Council has strongly condemned the Soviet action and Tehran Radio has resumed the scathing attacks on Soviet policy in Afghanistan that it had dropped when the hostage crisis began. Tehran will be particularly nervous about any signs of Afghan or Soviet meddling in Baluchestan. Khomeini, however, views both superpowers as anti-Islamic, expansionist forces and will probably see little reason why developments in Afghanistan should require him to be less hostile to the US. [REDACTED]

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Conservative Persian Gulf states with Saudi Arabia in the lead have issued strong condemnations of the Soviet action. Several states have underscored their sympathy for the Afghan insurgents as fellow Muslims. [REDACTED]

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Although Iraq has not issued any formal response, Baghdad is clearly uneasy over the latest Soviet use of force. [REDACTED]

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[REDACTED] Baghdad's reaction, however, is likely to be colored by its deep suspicion of US intentions in the region and its preoccupation with its deteriorating relations with Iran. [REDACTED]

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Reactions elsewhere in the Middle East have been along generally predictable lines. Syria, Lebanon, and the PLO have not commented, while Egypt and other moderate states have vociferously denounced the Soviets. [REDACTED]

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China on Sunday issued a government statement--used only infrequently by Beijing--that called the Soviet action a threat to "peace and security in Asia and throughout the world" and told the Soviet Ambassador that the intervention posed "a threat to China's security." The Chinese are probably most concerned about the effect the Soviet action will have on Pakistan, China's ally. [REDACTED]

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India's acting Prime Minister has expressed "deep concern" about the situation in Kabul but has also voiced "grave concern" over possible new US arms deliveries to Pakistan. Indira Gandhi, a leading candidate to become prime minister again following elections this week, was even less critical of the Soviets. More authoritative statements can be expected from New Delhi once a new government is installed.

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IRAN

*Ayatollah Khomeini's Islamic Republican Party has nominated Jalaleddin Farsi as its candidate for President.*

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Farsi is a relatively unknown university professor from Mashhad, the capital of Iran's northeastern Khorasan Province. In August last year, he was elected from Khorasan to the Assembly of Experts charged with reviewing the draft constitution. Farsi has longstanding contacts with the Palestine Liberation Organization and reportedly spent eight years in exile in Lebanon during the Shah's regime. With the backing of the Islamic Republican Party, Farsi will almost certainly win the election.

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Farsi has no large independent base of support, and his nomination is an indication that Khomeini wants a president who will pose no threat to his own hold on power. Farsi's nomination may also represent an attempt to gain the backing of the militants holding the US Embassy in Tehran and of other leftists. Although Secretary General of the Islamic Republican Party Beheshti commented in nominating Farsi that he is "devoid of any Western or Marxist ideology," Farsi has reportedly become a regular speaker outside the US Embassy compound and has gained the support of the militants. The pro-Soviet Tudeh Party has announced that it will back Khomeini's candidate as well, a move consistent with the Tudeh's policy of backing Khomeini on all key issues.

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Khomeini's chief rival, Ayatollah Shariat-Madari, does not appear ready to support an alternative presidential candidate. Shariat-Madari's attempt to defuse recent tension in his stronghold of Tabriz, where his supporters are holding nine Khomeini militiamen hostage, is indicative of the Ayatollah's reluctance to directly challenge Khomeini's leadership.

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International Conference

The militants occupying the Embassy plan to hold a six-day conference of "national liberation movements"

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starting tomorrow. We have no indication where in Tehran the conference will be held. Among the groups invited to attend are the Palestine Liberation Organization, the Eritrean Liberation Front, the Polisario Front, the Popular Front for the Liberation of Oman, several African groups, and representatives of the Afghan insurgents. The conference is apparently intended in part to demonstrate the militants' revolutionary credentials. The conference does not appear related to Foreign Minister Ghotbzadeh's effort to set up an international tribunal to investigate past US policies, an effort that does not appear to be gaining much success.

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#### Oil Agreement with Japan

According to press reports quoting sources in Japan's Foreign Ministry, Japan has concluded a government-to-government agreement with Iran that will allow Japanese firms to purchase crude oil this year. Half of the crude will be priced at the Iranian Government's selling price of \$28.50 per barrel of light, with the remainder carrying a \$3.00 surcharge that is negotiable quarterly.

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## BRIEFS AND COMMENTS

### ANGOLA: Major Government Shift

*The "resignation" last weekend of Angolan Defense Minister "Iko" Carreira probably reflects an escalation of the factional strife within the ruling party.* [REDACTED]

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Carreira, a mulatto, had shared control of the Angolan Government with party theoretician Lucio Lara and President Dos Santos. That ruling arrangement, established following the death of President Neto in September, has come under increasing pressure because of tension between blacks and mulattoes within the ruling Popular Movement for the Liberation of Angola and because the government has made no headway in resolving the country's economic and social problems. [REDACTED]

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According to the government communique, Carreira is to be sent abroad for training, and it seems doubtful he will retain much influence in Angolan politics. A black has been appointed to replace him on the political bureau, but a new defense minister has not yet been announced. Carreira's departure could be a concession to Angola's black militants who have been pressuring for a reduction of the disproportionate influence of mulattoes in the government. Black influence will continue to rise, and Carreira's replacement as defense minister probably will be a black. [REDACTED]

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The government shakeup comes on the heels of Dos Santos' and Carreira's official visit to the Soviet Union, the first by an Angolan head of state since former President Neto's in September 1977. The Soviets portrayed the visit quite positively and reaffirmed their commitment to continued close ties with Angola. [REDACTED]

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UK: Steel Strike

A strike by British steelworkers that began today will be the first test of Prime Minister Thatcher's determination to curb union power and reduce government intervention in the economy. Steel union leaders have asked for a 20-percent wage increase, but British Steel Corporation can afford only a 6-percent increase because the government has refused to increase subsidies. A prolonged strike would cripple many industries that use steel products, worsen the already high current account deficit, and possibly force Thatcher to reexamine her policies. [REDACTED]

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FRANCE: New IRBM

The French Ministry of Defense announced last month that testing of the S-3, France's new land-based IRBM, was completed in July. The Strategic Air Force will be equipped with S-3s by 1982, according to the announcement. The S-3, with its second stage and warhead derived from the successful M-20 SLBM, has a range of 3,885 kilometers. [REDACTED]

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EAST AFRICA: Regional Security Summit

The Presidents of Uganda, Kenya, and Sudan are scheduled to meet today in Arusha under the auspices of Tanzanian President Nyerere to try to reduce tensions in the region. As Uganda's principal security prop, Tanzania has a vested interest in improving the regional security situation, though its own ill-disciplined troops in Uganda are a frequent source of lawlessness. Since November, there have been several clashes between joint Tanzanian-Ugandan army units and forces operating out of southern Sudan. Kenya has also closed most of its border with Uganda in response to cross-border raids and fighting by rival tribes. Nyerere has invited Ethiopian leader Mengistu to join later with Sudanese President Nimeiri for discussion of their differences, but Mengistu may not show up. [REDACTED]

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SPECIAL ANALYSIS

IRAN: Leftist Influence in the Northwest

*The groups dominating ethnic dissidence in northwestern Iran subscribe to various leftist ideologies. Some of the groups--notably the Kurdish Democratic Party--have long had ties with the USSR.*

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Well-armed dissidents have achieved substantial de facto autonomy in some of the Kurdish and Azarbayjani areas in the northwest. There is clearly a potential for leftist-inspired disturbances throughout this agriculturally important region, the location of Iran's major rail and road links with Europe and the USSR.

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Secular as well as clerical officials of the present Iranian regime have consistently maintained that they have good reason to suspect Soviet support for the dissidents.

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The Soviets are probably maintaining contacts and providing assistance indirectly, most likely through the Iranian Communist party, Tudeh.

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Kurds and the Soviets

The Kurdish Democratic Party was the first ethnically based group in northwestern Iran to begin playing a public role as the Shah's regime collapsed. It has continued to increase its strength and, as the hold of the Khomeini regime has weakened in the area, several other local and national leftist groups have begun to operate publicly--often in loose alliance with the Kurdish Democratic Party.

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The Kurdish Democratic Party headed a short-lived "autonomous republic" under Soviet tutelage after World

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War II. The party's current autonomy program parallels the one it issued in the late 1940s and its latest policy statement [redacted] calls for an Iranian "democratic republic" aligned with the Third World and with a foreign policy "close" to that of the USSR. Many party leaders have long had contacts with the USSR and with East European and Middle Eastern Communist parties. [redacted]

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There is no overt Soviet tie now to any Kurdish group. Official Soviet statements and public declarations by Tudeh call for support of the Khomeini regime and advocate the peaceful settlement of ethnic disturbances. The clandestine Soviet radio station has broadcast statements favoring increased Kurdish autonomy but has not supported any specific Kurdish group. [redacted]

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Several other leftist Kurdish groups have been taking an increasingly public role in the area, but we know little more about them than their names and general political inclinations; some seem to be offshoots of the Kurdish Democratic Party, and others are more radical. [redacted]

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Troubled Azarbayjan

[redacted]

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[REDACTED]

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[REDACTED] The Azarbayjan Democratic Party, which headed a Soviet-sponsored "autonomous republic" after World War II, virtually disappeared after it merged with Tudeh in 1959. The Azarbayjan Democratic Party announced its rebirth earlier this year [REDACTED]

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Leftists are said to be recruiting among the local military and gendarmerie units, many of which are showing their opposition to the Khomeini regime by declaring their loyalty to Shariat-Madari or to the Kurdish spiritual leader, a self-proclaimed Muslim socialist. Last January, an unidentified Azarbayjani committee released an autonomy program similar to that espoused by the Kurdish Democratic Party and by both Soviet-sponsored "autonomous republics" in the 1940s. Several Azarbayjani daily and weekly newspapers--advocating leftist ideas and Azarbayjani nationalism--are now available as well as radio programs and motion pictures in the local language; many of the movies were produced in the USSR.

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[REDACTED]

[REDACTED] While there is no evidence of leftist participation with the pro-Shariat-Madari forces in the recent disturbances in Tabriz, the dissidents seem somewhat resistant to Shariat-Madari's calls for calm. [REDACTED]

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Azarbayjanis and Kurds

The Kurdish Democratic Party quickly declared its support for the Azarbayjani insurgents

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Although there have been clashes between Kurds and Azarbayjanis--sometimes resulting from rival groups' efforts to establish fiefdoms--the Kurdish Democratic Party has made an effort not to irritate Azarbayjanis. It has tried to blur the consequences of its territorial claims on areas of mixed population and says it supports Azarbayjani autonomy. Kurdish leaders also say they look to Shariat-Madari to support their interests in Qom.

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Widespread cooperation between Azarbayjani and Kurdish dissidents would further reduce the combat potential of government forces in the northwest, which have large Azarbayjani contingents and are already sympathetic to local dissidents. Widespread dissidence in the area could disrupt its agricultural production and interrupt overland trade with Europe and the USSR.

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#### OVERNIGHT REPORTS

(The items in the Overnight Reports section have not been coordinated within the Intelligence Community. They are prepared overnight by the Office of Current Operations with analyst comment where possible from the production offices of NFAC.)

#### Afghanistan

Press reports indicate that Afghan students took over Kabul's Embassies in New Delhi and Bonn this morning in protest against Soviet military intervention in Afghanistan. In New Delhi the students raised the Islamic flag in place of the red Afghan national flag, and are said to have taken one or more hostages. [REDACTED]

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